

Director  
Intelligence Community Staff  
Washington, D.C. 20505

DCI/ICS 82-3028  
27 September 1982

MEMORANDUM FOR: Senior Interagency Group - Intelligence  
SUBJECT: Summary of SIG-I Meeting, 31 August 1982

1. The SIG-I, chaired by the DCI, met on 31 August to consider the National Intelligence Topics (NITs) of Current and Continuing Interest and the status of the FY 1984-1988 National Foreign Intelligence Program (NFIP) budget forecast.

2. Mr. Casey opened discussion of the NITs by expressing his concern that the formal process of reflecting the customers' current and continuing intelligence requirements was cumbersome and slow. There are, he noted, a number of informal channels between the consumers and producers which can be used to refine the requirements, but he emphasized his personal interest in doing something to make the formal process simpler and more dynamic.

3. At the Chairman's request, Mr. Robert Gates, the Deputy Director for Intelligence, CIA, outlined a proposal that he, the DCI, and Mr. John McMahon, the DDCI, had been discussing. The four-point proposal calls for:

- o Establishment of a SIG-I committee to meet quarterly to review current requirements, consider changes in long-range priorities, and review the adequacy of intelligence support for the policy process. This SIG-I committee would be chaired by the DDCI with membership at the Under Secretary level so that departmental needs could be reflected.

- o Elimination of the long-range or "continuing" NITs and replacement of them by the existing DCID 1/2 priority listing. This document would be provided to members of the SIG-I committee prior to each quarterly meeting for its consideration.

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o Preparation of an annotated list of CIA, DIA, INR, and NIC publications that reflects the current NIT or DCID 1/2 subject to which the specific publication was responsive. This document would also be provided to members of the SIG-I committee prior to each quarterly meeting.

o Preparation by the Intelligence Community on a periodic basis of a statement on each current NIT and major DCID 1/2 subject identifying significant gaps in U.S. knowledge on that subject. This would be done under the auspices of the Intelligence Producers Council.

4. The Chairman then invited comments on Mr. Gates' presentation and the NITs themselves. Mr. Carlucci, Deputy Secretary of Defense, agreed with the NITs and the proposal for simplifying their preparation in the future. Mr. McNamar, Deputy Secretary of the Treasury, agreed strongly with the proposed revised process and offered some substantive comments on the NITs. Mr. Hughes, representing the Office of the Vice President, also agreed with the proposed process and offered some substantive changes.

5. Mr. Montgomery, representing the Deputy Secretary of State; Mr. Schmults, the Deputy Attorney General; Mr. Roser, representing the Deputy Secretary of Energy; Mr. Unger, representing the Deputy Secretary of Commerce; Gen. Williams, representing the Chairman, Joint Chiefs of Staff; and Mr. McFarlane, Deputy Assistant to the President for National Security Affairs, all concurred in the NITs as written and the process as described.

6. Mr. McNamar and Mr. Hughes presented their substantive concerns with the proposed NITs of Current Interest on an item-by-item basis. Attachment A reflects the changes each recommended. Mr. Hughes also stated that the Office of the Vice President believes that the priority accorded narcotics intelligence should be increased. Accordingly, the priority ratings for this subject in DCID 1/2 will be reevaluated.

7. In summarizing this portion of the meeting, the Chairman reflected the consensus that the NITs be revised and approved with the minor modifications that were identified. He also directed that the proposal for revising the process, outlined by Mr. Gates, be implemented in the near future.

8. The Chairman opened discussion of the second agenda item, the FY 1984-1988 NFIP budget forecast, by summarizing briefly the current fiscal situation. Mr. Casey pointed out that current guidance from OMB, which was the same as the amount allocated in the Defense Five-Year Plan, and equal to DCI low guidance, would barely provide for funding the base and ongoing initiatives; therefore, the Program Managers have been asked to scrub both their base and ongoing initiatives very carefully to assure that monies will be available to start on the highest priority new initiatives. Mr. Casey asked [REDACTED] Community Staff, to summarize the new initiatives that it appears now cannot be funded at the DCI low guidance. Attachment B lists those items.

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9. In response to the Chairman's invitation to comment, Mr. Carlucci expressed sympathy and support for the Intelligence Community, noting that the situation it faced was much the same as DoD faces. In the Defense Department, he noted, certain ongoing initiatives were in jeopardy. For example, despite the Administration's interest in building up the Navy, some ships would have to be retired prematurely. Mr. Carlucci also noted that since 1977 the NFIP budget has been growing at a rate faster than DoD's budget. Since making an agreement with the President last year, the Defense Department has found itself with a critical funding deficit that will make for a very difficult situation if DoD is unable to get relief from the \$247 billion ceiling imposed by OMB.

10. Mr. Schneider, representing the Director of the Office of Management and Budget, agreed that the situation is bleak and foresaw little likelihood that the Defense Department's ceiling could be further increased for FY 1984. He noted that bringing costs under control would be the most valuable thing to do at this point, recognizing that the funding surge provided for the 1985 Capabilities Study is being eroded by cost increases.

11. Mr. McFarlane shared concern about the current situation, and pointed out that the President was primarily interested in improving the Community's analytical capability and efforts in counterintelligence. He expressed the hope that these matters could be taken care of within current funding levels. The Chairman agreed with the President's concerns and stated that he would continue efforts to improve analysis and to find the relatively small investments necessary for counterintelligence.

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Attachments:

- A. SIG(I) Modifications to NITs of Current Interest
- B. New Initiatives Foregone at Low Guidance

Participants:

Mr. William J. Casey, Director of Central Intelligence, Chairman  
Mr. John N. McMahon, Deputy Director of Central Intelligence  
Mr. Frank C. Carlucci, Deputy Secretary of Defense  
Mr. R. T. McNamar, Deputy Secretary of the Treasury  
Mr. Edward C. Schmults, Deputy Attorney General  
Mr. Robert C. McFarlane, Deputy Assistant to the President for National Security Affairs  
Mr. Hugh Montgomery, Director, INR, Department of State  
Mr. Sherman E. Unger, General Counsel, Department of Commerce  
Mr. Herman E. Roser, Assistant Secretary for Defense Programs, Department of Energy  
Lt. Gen. James A. Williams, USA, Director, Defense Intelligence Agency  
Mr. G. Philip Hughes, Office of the Vice President  
Mr. William Schneider, Jr., Office of Management and Budget  
Mr. Al Keel, Office of Management and Budget  
Mr. Arnold E. Donahue, Office of Management and Budget  
Mr. Robert Gates, Deputy Director for Intelligence, CIA  
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